



URGENT—Tell Gov. Brewer, NO NEW TAXES!

10 April 2009

Dear Arizona Taxpayer,

Gov. Jan Brewer is trying to get the Arizona Legislature to send a tax increase proposal to the ballot.

The proposal would increase state taxes by a billion dollars a year for three years. That's over \$300 per household per year--in the middle of a recession, at a time when many families are already struggling financially and when many businesses are already laying off workers and cutting back on production.

PLEASE CONTACT GOV. BREWER TODAY and tell her you think **raising taxes on families and businesses during a recession is a BAD IDEA.**

Please send Gov. Brewer a quick email, or better still, leave her a phone message, and ask her to start listening to taxpayers, and to stop listening to the political consultants and fixers who have given her such bad advice. **If the Big Spenders want to put a tax increase on the ballot, we say let them find the money and collect signatures.**

Contacts for Gov. Brewer's communications office: ksabow@az.gov (602) 542-4331

Also, use the comment form at <http://azgovernor.gov/Contact.asp>

For deficit-cutting alternatives that do not involve raising taxes, see the back side of this flyer.

PLEASE FORWARD THIS ALERT TO YOUR FAMILY AND FRIENDS!

For Liberty,

--Tom

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AFP Arizona's \$5.7 billion in options for fixing AZ's \$3.5 billion FY10 deficit (4/11/9)

- 1) Start by trying to do the \$2.2 billion in spending cuts from the Pearce-Kavanagh Jan. 15 options budget for FY2010, and by sweeping non-GF funds, for \$390 million.
- 2) Take an estimated \$1.3 billion in federal stimulus funds that do not require maintenance-of-effort spending increases.
- 3) Look for at least \$1 billion in state assets that could be sold through open, competitive bidding, or state GF functions that could be bid out to long-term private concessions. We came up with over \$1 billion of sales and concessions in one afternoon, including \$250 million from selling the Santa Rita Experimental Range east of Green Valley for residential development. As of November 2008, the state universities had \$240 million in liquid real estate assets. AFP Arizona is proposing actual asset *sales*, not sell-leaseback schemes. In looking at asset sales, we recommend that the state offer potential buyers very wide latitude in the use of the acquired assets—including preemption of existing local zoning and land-use ordinances.
- 4) Greatly expand the corporate tuition tax credits. Every child who leaves the government system via STOs saves the state/local ed system more than \$5,000 (net of the lost revenue). If we move 10,000 more kids through aggressive promotion of the credits in FY10, that saves the state \$50 million. In FY11, we could accelerate the movement of kids to independent schools.
- 5) Begin voucherizing higher ed. The Goldwater Institute's high-end estimates of savings give us \$6,000 per student. We don't think the actual savings, short term, will be that much. But if we move 2,500 students in the first year with savings of \$4,000 each, the state saves \$10 million. In FY11, we could accelerate the movement of students into private higher ed programs.
- 6) The Goldwater Institute suggests moving state employees to HSAs with high deductibles. By doing so, we could keep DOA health expenditures from going up \$100 million in FY10—like it did last year. Assume \$10 million in savings for FY10.
- 7) Outsource civil law enforcement. The Goldwater Institute projects that outsourcing in this area could yield at least \$20 million in savings.
- 8) Collateralize future state lottery and tobacco settlement receipts. Gov. Napolitano thought she could get \$1.4 billion. We're using a more realistic figure of \$700 million.
- 9) Utilize private-sector management and information systems to reduce duplication-of-effort and fraud in Arizona's entitlement systems, especially in the health sector. For FY10, assuming delays in implementation, we are starting with a very low estimate of \$20 million in savings.
- 10) Suspend or eliminate all tax credits that do not serve to introduce competition into sectors of the economy dominated by government provision of services. For example, the state could restore \$40 million by eliminating the Extra Curricular Activities tax credit.

Total deficit reductions: \$5.74 billion